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C O N F I D E N T I A L BAGHDAD 002132

SIPDIS

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TAGS: [PREL](#) [IZ](#)

SUBJECT: PRIVATE SECURITY CONTRACTORS/CPA 17: STATE OF PLAY

REF: BAGHDAD 2054

Classified By: Ambassador Ryan C. Crocker for reasons 1.4(b) and (d).

Summary

[11](#). (C) Various CoR members and staffers involved in legislation to regulate PSCs are giving widely varying accounts of the status of the legislation. Versions range from a vote next week, through a merged bill only after the August-September break, to a claim that the decision in principle to merge the two present bills has not even been taken. End Summary.

[12](#). (C) On July 6, poloff met with Council of Representatives (CoR) member Abass al-Bayati (UIA/independent Turcoman Shi'a). Asked about the status of CPA 17 legislation, Bayati (a member of the Security and Defense Committee, which has jurisdiction over the legislation), confirmed what we had heard last week from the committee's legal advisor (reftel), that the committee had decided to merge the two proposed bills into one. Unlike the legal advisor, however, who had predicted a second reading this week and a third reading and vote as early as next week, Bayati told us that the merged bill would not be available until after the CoR's planned August-September break.

[13](#). (C) We then met with CoR member Hasan Degan (Arab Sunni; Al-Tawafuq/Iraqi National Dialogue Council), to whom CoR speaker Mashadani had referred us as an authority on the state of play for CPA 17 legislation. According to Hasan, who is also a member of the Security and Defense Committee, the committee has not even agreed to merge the two bills. Some members, citing controversy over the behavior of foreign Private Security Contractors (PSCs), as well as fear that party militias could re-brand themselves as PSCs, are against any legislation that would continue to legalize PSCs. Others, Degan said, favor a merger of the two bills. The committee, he said, planned to present its report, embodying the two options (no bill or merged bill), to the CoR on Tuesday, July 15.

[14](#). (C) Poloff told Degan that the United States would like to see legislation adopted that would clarify the situation with regard to PSCs. We believed that there was a continuing need for PSCs in Iraq. The United States would prefer that any legislation adopted preserve, to the degree possible, the present licensing and registration scheme. Degan nodded, then said "please, get control of your PSCs."

Comment

[15](#). (C) Incidents such as the September 2007 Blackwater shootings remain vivid in CoR members' minds. Other incidents (whether in fact involving PSCs or not), are also put forward by CoR members as reasons for their reluctance to allow PSCs to operate in Iraq.

[16](#). (C) We are hearing greatly differing versions of the

state of play on CPA 17 legislation from people close to the process. This may well mean that the truth is closest to Degan's version -- that no real consensus has been reached on how to proceed, and that we should not expect to see legislation before the summer break. End Comment.
CROCKER